

# COLA Calculation FY 25 – LRS

## Based on ERS COLA Methodology

1. Actuarial Rate of Return = 6.90%
  - Hurdle Rate = 6.00%
2. Excess Return = 6.90% - 6.00% = 0.90%
3. Funding Ratio = 130.0%
  - Shareable Factor = 1.00
4. Shareable Portion = 0.90% x 1.00 = 0.90%
  - Rounded to nearest 0.25% = 1.00%
5. Inflation Rate (per SSA COLA Rate) = 3.20%
  - Inflation Rate capped at 3.00%
6. COLA Rate = lesser of 1.00% and 3.00% = 1.00%